

**Introduced by Senator Ashburn**

February 22, 2005

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An act relating to public employees' retirement benefits.

LEGISLATIVE COUNSEL'S DIGEST

SB 884, as introduced, Ashburn. Public employees' retirement: benefit increases.

The Public Employees' Retirement Law prescribes the rights and benefits of the members of the Public Employees' Retirement System. The law establishes retirement formulas, known as the Second Tier and the modified First Tier, that are applicable to specified members of the system. Chapter 555 of the Statutes of 1999 provided a variety of benefit increases to members of the system, including (1) a change in the calculation of the highest annual compensation earnable for school members; (2) an option for Second Tier members to become First Tier members, as specified, and the reclassification of specified member classifications as First Tier for newly hired and returning employees; and (3) improved retirement formulas for various member classifications, among other changes.

This bill would state the intent of the Legislature to enact legislation that requires that benefit increases be calculated as part of the final retirement award only from the date enacted until the date of retirement, and to prohibit the application of benefit increases resulting from Chapter 555 of the Statutes of 1999 to service, age, or salary earned prior to December 31, 1999, for members who have not yet retired or died.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. (a) It is the intent of the Legislature to enact  
2     legislation that requires that benefit increases be calculated as  
3     part of the final retirement award only from the date enacted until  
4     the date of retirement. In this regard, it is the intent of the  
5     Legislature that legislation be enacted to prohibit the application  
6     of benefit increases resulting from Chapter 555 of 1999 to  
7     service, age, or salary earned prior to December 31, 1999, for  
8     members who have not yet retired or died.

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